

Weekly highlights by L'ECONOMISTE

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EDITORIAL

«Bahja Index»

Radia LAHLOU

MARRAKECH wants to make us laugh. In fact, this is one of its hallmarks: laughter, joking, bonhomie and nonchalance, but also agility. The whole thing is indescribable, and we call it Bahja. But laughing and making others laugh is also very serious business. Today, this intangible heritage is being scanned by tourism professionals to make it an indissociable brand of Marrakech, and a marketing argument to add to the destination's existing charms. The Bahja would then become a key element in the city's tourism promotion strategy. And we would have even happier tourists.

This idea of capitalizing on Bahja could also be applied to the labor world. A «Bahja index» could be set up to measure the «Bahja rate» in a company. In today's tense economic and financial climate, bringing

happiness to the workplace would transform the way we perceive productivity and professional effectiveness.

The Bahja index would thus become an innovative management tool. Imagine if employee satisfaction, level of collaboration, innovation and even conviviality within the company were evaluated and weighted. Combined with more traditional indicators such as financial performance and employee loyalty, they would then help define the Bahja rate.

Companies that adhere to this approach could become employers of choice, attracting more motivated talent. Managers could use the index as a barometer of organizational climate, identifying areas for improvement and best practices to be reinforced.

So, employers, are you tempted? □

Weekly highlights

Social security

The challenge of paying contributions

TODAY'S challenge is to get everyone involved in the successful implementation of social protection, whose philosophy and financial equilibrium are based on solidarity. This is what Fouzi Lekjaâ reminded the members of the House of Councillors. While the Government contributes 9.5 billion Dirhams (USD 950 million) for families unable to pay contributions, the situation is different for large categories of people. This is the case for self-employed workers who do not pay their contributions on a regular basis. Other groups who are able to contribute must commit themselves, responsibly and in a spirit of national solidarity, to regular payment of the sums due. To put it in figures, the amount of these contributions does not exceed, on average, 0.9% of the minimum wage, i.e. 180 Dirhams (USD 18) per month for self-employed workers. In fact, over 80% of the groups concerned have contributions set at less than 180 Dirhams. For example: the contribution for the first category of farmers has been set at less than 130 Dirhams per month, and that for shopkeepers at less than



According to the Ministry in charge of the Budget, while the national Government supports 9.5 billion Dirhams for families unable to pay their contributions, the situation is different for large categories of people who are required to pay contributions. This is the case for non-salaried workers who do not pay their contributions on a regular basis

150 Dirhams per month. Similarly, the contribution for most self-employed entrepreneurs and people subject to the unified professional contribution scheme is 100 Dirhams per month. On the other hand, contributions for people who can afford to pay them, but who are not engaged in any paid or unpaid activity, are set at just 144 Dirhams for many categories. In exchange, if

people pay their contributions on a regular basis to the National Social Security Fund (CNSS), they will benefit on a monthly basis from guaranteed benefits worth over 600 Dirhams on average.

The Minister in charge of the Budget took the opportunity to report on the generalization of Compulsory Medical Insurance (AMO). Indeed,

over 11 million beneficiaries have been registered under the AMO - Solidarity scheme, including 4.2 million principal policyholders. This unprecedented number exceeds the number of beneficiaries previously covered by the Ramed (Medical Assistance to the Poor) scheme who were automatically transferred to AMO-Solidarity from December 01, 2022 onwards, i.e. around 4 million families, said the Minister. According to him, this means that the Government has implemented the social protection project in record time. All the necessary measures have been taken, including the adoption of laws and regulations, the provision of financial resources, and support for the National Social Security Fund (CNSS) to register all the groups concerned and provide them with quality insurance services. In terms of communication and awareness-raising, and as an incentive, 3.4 billion dirhams (USD 340 million) in arrears were waived for self-employed workers, in return for payment of a single contribution for those carrying out more than one activity. □

Mohamed CHAUI

VAT-liable or VAT-exempt entities All under scrutiny!

ENTITIES not subject to VAT or exempt from VAT without the right to a tax deduction will henceforth be under the watchful eye of the tax authorities. The Finance Bill, which has just passed its second reading in the House of Representatives, introduces a new, particularly strict value-added tax reversal liability system which applies to purchases made by VAT-registered companies from suppliers who are either outside the scope of the tax or exempt without the right to deduction, and who consequently issue invoices without including VAT.

Purchases of land and agricultural products are excluded from this scheme. As a reminder, entities invoicing without VAT have the status of «non tax producers», which means that they do not include value-added tax in their invoices because of their tax regime, or because they do not reach the minimum sales threshold of 2 million Dirhams (USD 200,000) to



Mohamed Chorfi, chartered accountant and instructor: «The principle of the new provision will consist of calculating the fictitious or theoretical VAT, declaring it and recovering it by entering it in the deductions table»

be subject to VAT (in the case of retail traders), or because they are taxed under the Simplified Net Income Regime (RNS) for individual service providers. For sales of less than 500,000 Dirhams

(\$50,000 USD), the latter are exempt from VAT, with no right of deduction (Article 91 of the General Tax Code, CGI).

Through the 20254 Finance Bill, lawmakers intend to put some order into this state of exception by instituting a new VAT reversal liability system. Customers purchasing from this category of suppliers will now have to mention the amount of this tax on their return. «They will have to calculate this payable VAT and mention it in their monthly or quarterly return, depending on their tax regime», explains Mohamed Chorfi, a chartered accountant and trainer. At the same time, they will have to deduct it. The principle is therefore to calculate the fictitious or theoretical VAT, declare it, and recover it by entering it in the deduction table.

This is a neutral operation, which is obviously not part of sales. According to the practitioner, the aim of this new procedure is to identify suppliers who do not charge VAT. This obliga-

tion also applies to persons subject to the Single Professional Contribution - CPU and to self-employed entrepreneurs.

This provision represents a new means of cross-checking to combat tax fraud. The Finance Bill also introduces a new table dedicated to reverse-charge invoices. With this provision, lawmakers are specifically targeting resellers with sales of less than 2 million Dirhams (200,000 USD), who are therefore not subject to VAT or are outside the scope of application (Article 89 of the General Tax Code), as well as individuals who are exempt without the right to deduction under Article 91. In effect, the tax authorities will have a more effective means of determining whether these suppliers have not exceeded the threshold of 2 million Dirhams (USD 200,000) or 500,000 Dirhams (USD 50,000). In this case, they will be obliged to charge the value-added tax. □

Hassan ELARIF

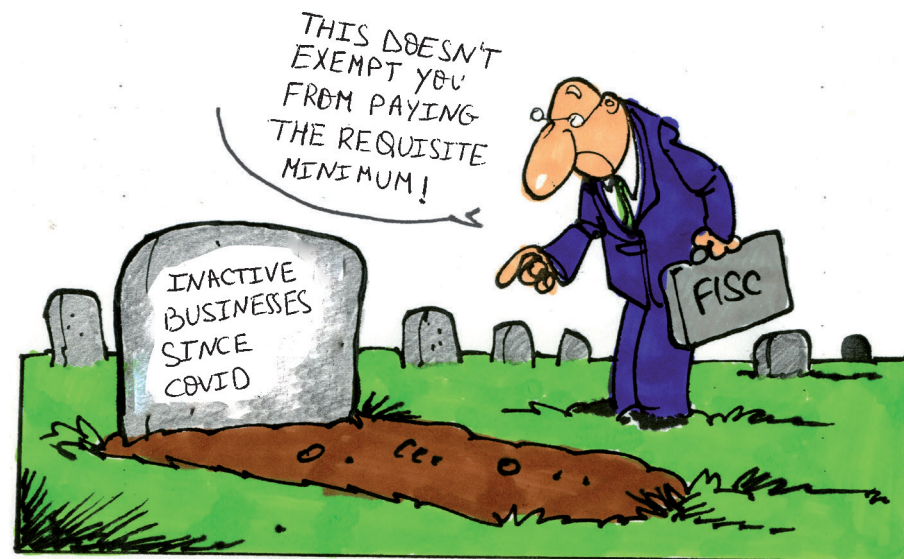
Dormant companies

Penalty amnesty extended for another year

THE «amnesty» for dormant companies will be extended. Introduced by the 2023 Finance Bill, it has been extended for a further year, from January 01 to December 31, 2024.

So far, the scheme has not been a «success», as few companies have signed up to it. Ignorance of the legal framework, even though the Moroccan employers association (CGEM) has launched an appeal to its members, fear of the taxman, last-minute syndrome which means that companies sign up to the scheme in the last few days of the year... several explanations have been put forward for the lack of eagerness or even enthusiasm. In any case, the one-year extension offers inactive companies an opportunity to regularize their situation vis-à-vis the tax authorities.

The scheme offers interesting advantages, and will also enable the tax authorities to clean up their books. Subscribers benefit from exemption from tax audits, as well as the automatic cancellation of surcharges, fines, and penalties for failure to file returns



and pay taxes in respect of years not barred by the statute of limitations. This is an amnesty for late payment surcharges and penalties.

This legal framework is aimed at two categories of businesses: inactive businesses and businesses with no sales or which only pay the minimum contribution and find themselves facing difficulties.

Inactive companies, estimated at 250,000 entities, which have not met

any tax obligations for the last three financial years and have not carried out any operations during this period, are invited to submit a declaration of cessation of activity. In principle, they have a period of 30 days from the date of notification by the tax authorities, failing which they are automatically registered. Once this formality has been completed, inactive companies benefit from the suspension of the automatic taxation procedure.

For their part, taxpayers who have not generated any sales or paid the minimum contribution for the last four financial years will also benefit from the automatic cancellation of penalties for failure to file returns and pay taxes. These taxpayers will also be exempt from tax audits. For this purpose, they are required to file a declaration of total cessation of activity. They are also required to spontaneously pay a lump sum of 5,000 dirhams (456 euros) in corporate income tax or personal income tax, as the case may be, for each financial year in which the statute of limitations has not expired.

Fiscal years that have been subject to one of the procedures for rectifying tax bases are excluded from this transitional regime. Transactions such as the transfer of customers or capital gains on disposals are still taxable under ordinary law. Tax authorities may also initiate an audit under «ordinary law» in the event of fraud, forgery, or the use of false invoices. □

Khadija MASMOUDI

The weight of Morocco's sports industry

MORE than just a recreational activity, sport in Morocco has become an industry in its own right over the last ten years. It is now a dynamic economic sector. A 1st study carried out by the Moroccan Federation of Sports Professionals (FMPS) confirms this. «The sports industry in the Kingdom now accounts for more than 2.5% of GDP. The private sports sector represented by the FMPS accounts for 1.56% of Morocco's GDP», say the authors of the study, carried out in collaboration with the German cooperation agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the consultancy firm IN&Sport.

Sales generated by private companies are expected to reach 19 billion Dirhams (1.7 billion euros) in 2022. «This figure only concerns the sample studied, which represents 321 entities, or 80% of all private players. If we add the rest of the industry (excluding construction and sports tourism), sales in the private sports sector alone are

estimated at 21.18 billion Dirhams» (1.93 billion euros), explained Vincent Chaudel, partner at IN&Sport, at a press briefing held on Tuesday December 12 in Casablanca. What's more, private players in the sports sector generate almost 2% of their sales from exports. The sports eco-



system involves a multitude of public and private players. Companies surveyed included sports clubs, retail outlets, equipment and infrastructure providers, sports event communication agencies, and start-ups offering sports solutions, among others. Sports halls and retail are the two segments

representing the most companies in the sports industry.

However, lotteries generate the most sales (67%), followed by retail (almost 20%). Whether in stores or online, the sporting goods trade is worth around 3.77 billion Dirhams (343 million euros) (2022). With 604.4 million Dirhams (55 million euros), the sports clubs and gyms segment is booming, with growth of 25% compared with 2021.

«We carried out this study to identify the players in the sports sector and the economic stakes involved, and to demonstrate that sport is an industry in its own right that has nothing to envy other sectors. In addition to having a direct impact on the health and social well-being of our fellow citizens, sport has a significant impact on our economy, creating added value and jobs», explains Mehdi Sekkouri, President of the FMPS, which was established in 2021. □

Khadija SKALLI

Weekly highlights

Regragui, Osimhen, and the Atlas Lions, award-winners



The Atlas Lions feat at the Qatar World Cup has earned the Moroccan team the Best national team award

ALTHOUGH the African Player of the Year award went to Nigeria's Victor Osimhen, ahead of Morocco's Achraf Hakimi (Paris Saint-Germain) and Egypt's Mohamed Salah (Liverpool), Moroccan soccer shone brightly at the CAF Awards 2023, held in Marrakech on Monday December 11 evening. The Atlas Lions' success at the World Cup in Qatar earned the Moroccan national team the title of best national team of the year. The national team beat Gambia and Senegal in the CAF Awards ranking. The national coach, Walid Regragui, was named Coach of the Year (men's team), ahead of Algeria's Abdelhak Benchikha (Simba SC/Tanzania) and Aliou Cissé (Senegal team). Walid Regragui was appointed just a few months before the 2022 World Cup, having won the African Champions League with the WAC club from Casablanca.

Speaking at the awards ceremony, Regragui said: *«I must thank His Majesty King Mohammed VI for his vision and his tireless efforts to develop the Kingdom in general and soccer in particular».* Regragui added: *«I would also like to thank the players who believed in our project at the World Cup, as well as the President of the Royal*



Moroccan Football Federation, Fouzi Lekjaâ, for the confidence he placed in me before the World Cup..... This title certainly gives me pleasure, but all African coaches deserve it. At the World Cup in Qatar, we represented the whole of Africa. Together we'll move forward and together we'll win».

In the «Goalkeeper of the Year» category, Atlas Lions goalkeeper Yassine Bounou won ahead of André Onana (Cameroon/Manchester United) and Mohamed El Shenawy (Egypt/Al Ahly). The current goalkeeper of Saudi club Al Hilal had won the Europa League with Sevilla, not forgetting his memorable



performance in the penalty shoot-out against Spain in the Round of 16. The awards for Moroccan soccer didn't stop there, as Fatima Tagnaout (AS FAR) was awarded the prize for «Interclub Player of the Year». She beat out Refilwe Tholakele (Botswana/Mamelodi Sundowns) and Lebohang Ramalepe (South Africa/Mamelodi Sundowns). Her fellow countrywoman Nesryne El Chad, who plays for French club Lille, took the title of «Young Player of the Year», ahead of Comfort Yeboah (Ghana/Ampem Darkoa) and Deborah Abiodun (Nigeria/Pittsburgh Panthers).

The Young Player of the Year award was won by Senegal's Lamine Camara, who plays for Metz in France, ahead of Moroccan international Abdessamad Ezzalzouli (Real Betis) and Amara Diouf (Senegal/Metz). On the other hand, Nigeria took the title of Women's National Team of the Year, ahead of the Moroccan and South African selections. Morocco hosted the CAF Awards, celebrating excellence in African soccer, for the 2nd year running, following the 2022 edition held at the Mohammed VI Football Compound in La Maâmora (Rabat region). □

A.T.